

# Services

Lending Services



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Whether you're in the market for a car, a home or a personal loan, Local Government Federal Credit Union offers a variety of financing options to our membership. We can meet your short- and long-term cash flow needs with competitive rates, flexible terms and a simple, straightforward loan request process.

## Personal Loan

- ◆ Open-end program saves paperwork and time
- ◆ Convenient, subsequent loans using the open-ended program
- ◆ Fixed and variable rate products available
- ◆ Competitive, variable interest rate determined by the 26-week Treasury Bill, subject to change quarterly
- ◆ Maximum rate of 18% cannot increase more than 1% per quarter

## Vehicle Loans

- ◆ Fixed rate
- ◆ Maximum loan amount is 100% of MSRP for new cars and NADA for used cars
- ◆ An additional 10% is available to cover taxes, tags, extended warranties, etc.
- ◆ No penalty for early payoff
- ◆ Continuous collision and comprehensive insurance required on the vehicle for the loan's duration
- ◆ Chrome Showroom program available to provide pertinent information on new vehicle types

- ✦ Car Buying Service allows the Credit Union to shop and negotiate for a new vehicle for you at no additional charge

### **Loans on Share Accounts**

- ✦ Fixed and variable rates with varying terms
- ✦ Loans may be secured by funds on deposit in an LGFCU Share Account or LGFCU Share Term Certificate

### **Salary Advance Loan (SALO)**

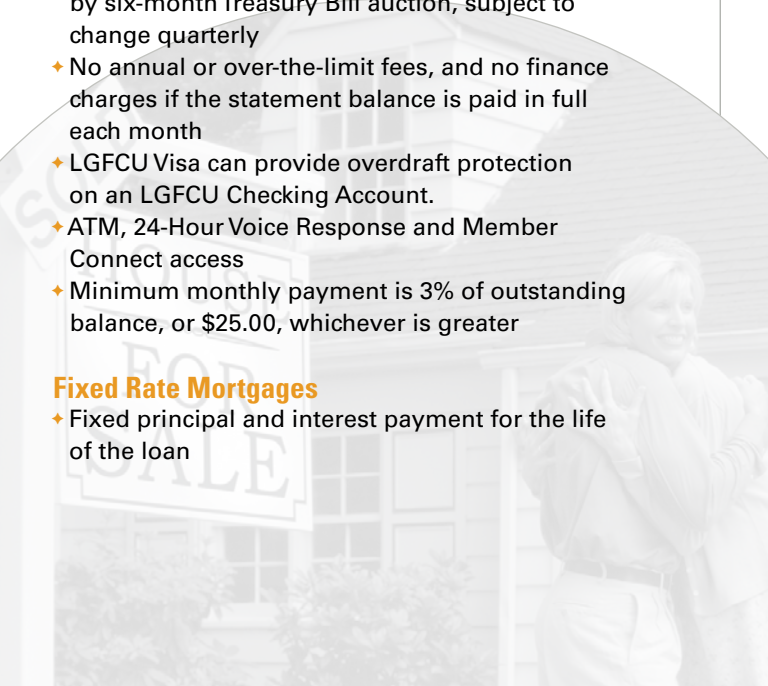
- ✦ Inexpensive loan option to generate emergency cash needs
- ✦ Loans are limited to a maximum of \$500 or the amount of your direct deposit, whichever is less
- ✦ Five to seven percent of the loan advance will be deposited into a Salary Advance Cash Account that belongs to you, and will earn dividends; however, your access to the account will be restricted
- ✦ You are required to have direct deposit with the Credit Union to be eligible

### **Visa Credit Card**

- ✦ LGFCU's Visa<sup>®</sup> Credit Card can be used for almost any purpose. Visa is widely recognized and is accepted wherever the Visa logo is displayed
- ✦ Competitive, variable interest rate determined by six-month Treasury Bill auction, subject to change quarterly
- ✦ No annual or over-the-limit fees, and no finance charges if the statement balance is paid in full each month
- ✦ LGFCU Visa can provide overdraft protection on an LGFCU Checking Account.
- ✦ ATM, 24-Hour Voice Response and Member Connect access
- ✦ Minimum monthly payment is 3% of outstanding balance, or \$25.00, whichever is greater

### **Fixed Rate Mortgages**

- ✦ Fixed principal and interest payment for the life of the loan



- ✦ PMI\* not required
- ✦ Initial rates can change daily—call 888.732.8562 or visit a local branch for current rate(s)
- ✦ Financing up to 100% for purchase and no cash-out refinance\*\*
- ✦ Property must be located in NC, SC, VA, GA and TN

### Five-Year Adjustable-Rate Mortgage (ARM)

- ✦ Financing up to 100% of the purchase price and no cash out refinances may be available\*\*
- ✦ PMI\* not required
- ✦ Maximum rate adjustment of 2% every five years with a 6% life-of-loan cap
- ✦ Property must be located in NC, SC, VA, GA and TN

### First-Time Homebuyer's Mortgage

- ✦ Financing up to 100% of the purchase price may be available
- ✦ First-time homebuyers are eligible for additional financing up to \$2,000 for closing costs†
- ✦ Five-year adjustable rate mortgage (ARM)

### Second Homes and Rental Properties

- ✦ Five-year ARM financing option available for second/vacation homes and rental homes located in NC, SC, VA, GA and TN\*\*

### Manufactured Homes

Financing options are available for manufactured homes

- ✦ Must be primary residence and located on property owned by the borrower†
- ✦ Home must be located in NC, SC, VA, GA or TN

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\* PMI = Private Mortgage Insurance

\*\* Maximum loan-to-value varies depending on the property type.

† For more information, call 888.732.8562 or visit your local branch. The interest portion of the loan that is greater than the value of the dwelling is not tax deductible for Federal income tax purposes. Consult a tax advisor for further information regarding the deductibility of interest and charges.

‡ Home must be on permanent foundation with tongue and wheels removed, have a sloping roof, must be listed as real property with the county tax office and its title must be destroyed by the Division of Motor Vehicles. Home must also have been manufactured on or after June 15, 1976.

## Reverse Mortgage

- ✦ Borrower(s) must be at least 62 years old
- ✦ No monthly payments; the Credit Union provides cash to the borrower in a lump sum or monthly disbursements
- ✦ No prepayment penalties
- ✦ No mortgage insurance or monthly servicing fees
- ✦ Property must be primary residence and located in North Carolina
- ✦ Manufactured homes, condominiums, town homes and rural properties are not eligible
- ✦ Maximum loan amount based on home's appraised value, life expectancy of the youngest borrower and the interest rate on the loan
- ✦ Property taxes and homeowner's insurance are the responsibility of the homeowner
- ✦ For more information, visit your local branch or call 888.732.8562

## Construction Loan

- ✦ One closing conducted
- ✦ Requires turn-key contract with licensed North Carolina contractor
- ✦ The home must be the borrower's primary residence or secondary/vacation home located in NC, SC, VA, GA and TN
- ✦ Not available for rental property
- ✦ The construction phase can not exceed six months

## Loan Processing Fees

The initial interest rate for our Adjustable-Rate Mortgage loans is set by the board of directors and is subject to change daily. Call 888.732.8562 or visit [www.lgfcu.org](http://www.lgfcu.org) for current rate(s).

Members may incur costs or fees in the following areas in the mortgage loan process:

- ✦ Origination fee
- ✦ Attorney fees
- ✦ Appraisal fees
- ✦ Recording fees
- ✦ Title insurance
- ✦ Survey (typically not required)
- ✦ Pest inspection (typically not required)

At the time of application, a Credit Union loan officer will provide a “good faith estimate” of all settlement costs involved with the mortgage process.

### **Mortgage Loan Request Procedures**

Members can request mortgage loans in person at their local branch, through the Contact Center or through Member Connect. To speed up the process, the following information will be requested:

- ✦ Name
- ✦ Phone number
- ✦ Social Security number
- ✦ Date of birth
- ✦ Monthly income
- ✦ Number of dependents
- ✦ Loan amount requested
- ✦ Loan purpose

During the mortgage process, additional documentation may be requested such as:

- ✦ Employment history
- ✦ Income/deposit verification
- ✦ Sales contract
- ✦ Appraisal
- ✦ Flood zone determination

### **Home Equity Line of Credit (HELOC)**

- ✦ Open-end program allows for ease of borrowing
- ✦ Potentially establish a credit line up to 90% of the value of your home, less the first mortgage balance
- ✦ Competitive, variable interest rate determined by 26-week Treasury Bill
- ✦ Maximum rate of 18% cannot increase more than 0.5 % per quarter
- ✦ If your first mortgage is with LGFCU—or if you have no first mortgage—the interest rate will be discounted by 0.75%
- ✦ Processing fees may be required, costs range from \$300 to \$1,000
- ✦ The interest you pay may be tax deductible; consult with your tax adviser
- ✦ Available on your primary residence in NC, SC, VA and GA. HELOCs are not offered in TN

## HELOC Request Procedure

Members can request home equity loans in person at their local branch, through the Contact Center or through Member Connect. To speed up the process, the following information will be requested:

- ✦ Name
- ✦ Phone number
- ✦ Social Security number
- ✦ Date of birth
- ✦ Monthly income
- ✦ Number of dependents
- ✦ Loan amount requested
- ✦ Loan purpose

Some additional items that may be requested are:

- ✦ Copy of recorded deed
- ✦ First mortgage statement
- ✦ Appraisal
- ✦ Proof of Homeowners Insurance
- ✦ Income verification

## Disability and Credit Life Insurance

- ✦ Available on most personal and vehicle loans
- ✦ Protects you and your family in the event of death or disability
- ✦ Disability insurance available only if taken out in conjunction with life insurance
- ✦ Maximum coverage of \$25,000 on life and \$42,000 on disability
- ✦ Premiums paid monthly as part of loan payment—coverage provided until age 70



To learn more details about any of our services, visit us at **[www.lgfcu.org](http://www.lgfcu.org)** or call the Contact Center at 888.732.8562. Calls may be recorded for quality assurance.



Federally insured by NCUA



*/ To improve the lives of our members /*

